

**MINUTES  
SPECIAL MEETING  
ARIZONA STATE RETIREMENT SYSTEM BOARD**

**Tuesday, June 30, 2009  
3:00 P.M., MST**

The Arizona State Retirement System (ASRS) Board met in the 14<sup>th</sup> Floor Conference Room, 3300 N. Central Avenue, Phoenix, Arizona. Mr. Michael Townsend, Chair of the ASRS Board, called the meeting to order at 3:00 P.M., MST.

The meeting was teleconferenced to the ASRS office at 7660 E. Broadway, Tucson, Arizona 85710.

**1. Call to Order; Roll Call; Opening Remarks**

Present: Mr. Michael Townsend, Chair (Via Teleconference)  
Mr. Dave Byers, Vice-chair (Via Teleconference)  
Mr. Chris Harris (Via Teleconference)  
Mr. Jaime Gutierrez (Via Teleconference)  
Dr. Keith Meredith (Via Teleconference)  
Mr. Larry Trachtenberg (Via Teleconference)  
Mr. Steve Zeman  
Mr. Tom Connelly (Via Teleconference)

Absent: Mr. Jim McLaughlin

A quorum was present for the purpose of conducting business.

**2. Presentation, Discussion and Appropriate Action with Respect to an Interim Plan for Continuation of Basic Service Operations Pending Approval of a Fiscal Year (FY) 2010 State Budget with an ASRS Appropriation**

Mr. Paul Matson, Director, addressed the Board regarding the status of a State budget for FY 2010. Mr. Matson gave a background summary on the status of the budget negotiations at the Arizona Legislature and its impact on the ASRS. He stated that after reviewing the Arizona Constitution, State statutes, fiduciary standards, conducting research with other administrators and policy makers, as well as reviewing ASRS' continuous appropriations authorities, he and ASRS staff had developed an interim management plan with respect to which services must or may legitimately be provided during the interim period, an ASRS payment/committed/expenditure plan, a Human Resources plan, and a communications plan.

Mr. Matson then discussed a list of core services that would be provided in order to fulfill ASRS constitutional, statutory and/or fiduciary obligations. Additionally, he provided the Board with a schedule indicating the suggested plan for staffing and administrative costs.

Board Trustees then asked Mr. Matson and ASRS staff questions regarding the implementation of the plan including inquiries into the length of the plan, loss of benefits by staff who are furloughed, service level decay, and potential modifications of the plan once enacted.

**Motion:** Mr. Steve Zeman moved to approve the recommended ASRS Interim Plan for continuation of basic service operations pending approval of a Fiscal Year 2010 State budget with an ASRS appropriation, and to direct the Director to move forward with prudent modifications at his discretion as necessary.

Mr. Jaime Gutierrez seconded the motion.

A discussion on the motion ensued with a request by a Trustee that the Board reconvene prior to July 10, 2009 should an FY 2010 State budget with an ASRS appropriation not be in effect by that date.

By a vote of 8 in favor, 0 opposed, 0 abstentions, and 1 excused, the motion was approved.

**3. Call to the Public**

No members of the public addressed the Board.

**4. The next ASRS Board meeting is scheduled for Friday, July 31, 2009, at 8:30 a.m., at 3300 N. Central Avenue, 10th Floor Board Room, Phoenix, Arizona.**

**5. Adjournment of the ASRS Board**

Mr. Townsend adjourned the Board meeting at 3:35 P.M.

ARIZONA STATE RETIREMENT SYSTEM

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Zachary Kucera, Secretary      Date

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Paul Matson, Director      Date